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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 14, 2014

Michael Sprunger
P.O. Box 38054
Leamington, Utah 84638

Subject: Review of Reclamation, Michael and Sandra Sprunger, ML 47821 & ML 46956/
Cubical 2, S/023/057, Juab County, Utah

Dear Mr. Sprunger:

The Division of Oil, Gas and Mining has reviewed your letter dated December 28, 2013, and received December 30, 2013. Part of the mission of the Minerals Regulatory Program is to support the existence of a viable mining industry, but the Utah Mined Land Reclamation Act also requires that the State hold sufficient reclamation surety to ensure mining disturbances are reclaimed.

In response to your letter, the Division and the Bureau of Land Management (BLM) would like to have an on-site meeting with you (when weather conditions permit) to determine the extent of the disturbance and estimate the reclamation costs. The Division and the BLM are willing to accept a surety in an amount less than the required \$9,400.00 provided:

- All disturbed areas that have been mined out are reclaimed.
- No new areas are disturbed until a similar area has been reclaimed.
- Both the BLM and the Division are satisfied that there is sufficient surety in place to reclaim any remaining disturbances.

The Division will extend the deadline to either reclaim the site or post additional surety until May 30, 2014. This should allow time for warmer weather and to arrange the on-site meeting.

In response to some of your specific questions, the inflation rate used by the Division applies to construction, demolition, equipment, and labor used in the mining industry rather than an overall rate. Over the past few years this rate has been higher than the general inflation rate.

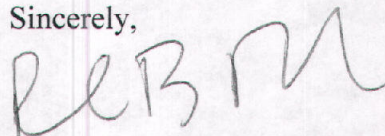
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The Division uses two methods for making reclamation cost estimates. The first is a per-acre cost based on the average costs for small mines. The second is a site specific cost estimate based on volumes of material to be moved, any special handling needed, surface preparation, facilities that need to be reclaimed, acres of revegetation, etc. The Division does not normally approve a cost estimate based on a quote without details of the type of equipment to be used, production rates, and quantities of material to be moved.

You mentioned that your current address is in Oak City instead of Leamington. The Notice of Intention to Commence Small Mining Operations (NOI), essentially the mine permit application, currently on file with the Division needs to be updated to show this address change and any other changes to the mine operation. Enclosed with this letter are copies of your current NOI and of the most current edition of the NOI form. By February 28, 2014, please fill out and submit the new NOI form. You may use any current information from the existing NOI, including the maps, if this information is still accurate.

Thank you for your response and for your cooperation. We look forward to resolving these issues in a mutually acceptable manner. Please call Wayne Western at 801-538-5263 if you have questions concerning this letter.

Sincerely,



Paul Baker
Minerals Program Manager

PBB: whw: eb
Enclosures: NOI Form
Copy of NOI from 2001
cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)
Duane Bays, Fillmore BLM (dbays@blm.gov)
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